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FISCAL IMPACT REPORT



SPONSOR: Lopez DATE TYPED: 02/05/02 HB _____

SHORT TITLE: Performance Audits of Health Care Programs SB SJM-40

ANALYST: Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
			NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Human Services Department

SUMMARY

Synopsis of Bill

Senate Joint Memorial 40 (SJM 40) requests the Human Services Department (HSD) develop audits of actual performance and health care expenditures and remedies to correct deficiencies and non-compliance to ensure fiscal and performance accountability. It also requests that HSD provide its findings and recommendations to the Legislative Health Subcommittee or other appropriate interim committee by October 1, 2002.

Significant Issues

HSD reports that it already conducts a broad range of audits aimed exactly at the goals expressed in SJM 40. HSD carries out its own regular oversight activities and audits, as well as those performed under contract with Blue Cross/Blue Shield and their external quality review organization, the Island Peer Review Organization, and a Joint Powers Agreement (JPA) with the Department of Health (DOH). These audits are based on current contract standards and state regulations, present corrective-action recommendations, and are followed by action to ensure fiscal and performance accountability.

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In addition, HSD indicates it would make a list of all pertinent audits available to the Legislative Health Subcommittee. An audit by the Center for Medicare and Medicaid Services (formerly the Health Care Financing Administration) found HSD fully compliant and praised the department for its program-integrity activities.

MW/njw